

# OPEN MEETING



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## MEMORANDUM

RECEIVED

AZ CORP COMMISSION

DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

TO: THE COMMISSION

OCT 22 2014

2014 OCT 22 PM 2 24

FROM: Utilities Division

DATE: October 22, 2014

DOCKETED BY

ORIGINAL

RE: IN THE MATTER OF THE APPLICATION OF NAVOPACHE ELECTRIC COOPERATIVE, INC. FOR APPROVAL OF ITS 2015 RENEWABLE ENERGY STANDARD TARIFF, IMPLEMENTATION PLAN AND NET METERING TARIFF (DOCKET NO. E-01787A-14-0220)

### Background

On June 30, 2014, Navopache Electric Cooperative, Inc. ("NEC" or the "Cooperative") filed an application for approval of its 2015 Renewable Energy Standard and Tariff ("REST") Implementation Plan ("2015 REST Plan") in compliance with A.A.C. R14-2-1801 through R14-2-1816 ("REST Rules"). NEC also submitted an updated avoided cost to be included in its Net Metering Service Tariff. NEC's current REST Plan was approved by the Arizona Corporation Commission ("Commission") in Decision No. 74176, on October 25, 2013.

### Renewable Energy Requirement

Pursuant to the REST Rules, investor-owned utilities ("IOUs") are required to meet specific annual percentage-of-sales targets for both Renewable Energy Resources and Distributed Renewable Energy Resources. However, electric cooperatives are excluded from these specific requirements by R14-2-1814. Electric cooperatives, instead, are required to submit "appropriate plans for acquiring Renewable Energy Credits..."

NEC proposes to obtain approximately 1.15% of its forecasted 2015 retail sales from Renewable Energy Resources in its 2015 REST Plan. In comparison, the REST Rule requirement for IOUs in 2015 is 5.0% of retail sales of which 30% must be Distributed Renewable Energy Resources.

### 2015 REST Plan

NEC's 2015 REST Plan consists of using existing utility- and member-owned renewable resources in addition to a negotiated biomass facility and utility-owned photovoltaic ("PV") covered parking near the NEC headquarters. Since 2003, NEC has installed and interconnected four separate utility-owned PV systems to the distribution system. The four systems have a combined capacity of approximately 284 kilowatts ("kW").

NEC has completed negotiations with Western Energy Solutions to purchase energy and Renewable Energy Credits ("RECs") from a qualified biomass project. Western Energy Solutions anticipates securing an air quality permit for the project by the end of 2014 and construction would

## THE COMMISSION

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begin in 2015. The expected capacity from the facility is 1.0 megawatt ("MW"). For 2015, the estimated cost for the biomass generation project is \$200,323.

NEC is also considering the option of a 5 MW Enhanced Geothermal System ("EGS") generating station. The EGS would be a high capacity factor renewable energy resource option for NEC. At this point in time, NEC is only exploring the economic viability of this project and has not included the EGS station in the 2015 REST Plan.

By the end of 2014, NEC anticipates completing construction of utility-owned PV- covered parking near the NEC headquarters. The expected annual output from this additional PV installation is 203,300 kWh.

As of December 31, 2013, NEC had 218 member-installed renewable energy systems in operation. The NEC member-installed systems include PV systems, solar thermal systems, and wind turbines. The member-installed systems have a combined capacity of 1,585 kW.

### **Residential PV and Wind Program**

For the Residential PV and Wind Program, NEC currently offers an Up-Front Incentive ("UFI") of \$0.50 per installed watt up to a maximum of \$5,000 per metered location. NEC is not proposing any changes to the UFI for Residential PV and Wind with its 2015 REST Plan.

### **Commercial PV and Wind Program**

For the Commercial PV and Wind Program, NEC currently offers a UFI of \$0.50 per installed watt up to a maximum payment of \$12,500 per metered location. NEC is not proposing any changes to the UFI for Commercial PV and Wind with its 2015 REST Plan.

### **Solar Water Heater Program**

For the Solar Water Heater Program, NEC currently offers a UFI of \$0.75 per kWh of estimated energy saved during the system's first year of operation. NEC is not proposing any changes to the UFI for Solar Water Heaters with its 2015 REST Plan.

The table below illustrates the current/proposed incentive levels provided for each technology (as stated earlier, no changes have been proposed to the UFIs).

**Table 1**  
**Current/Proposed Incentives**

Technology	Current/Proposed UFIs
Residential PV and Wind	\$0.50 per installed watt Max payment of \$5,000
Commercial PV and Wind	\$0.50 per installed watt Max payment of \$12,500
Solar Water Heating	\$0.75 per kWh of estimated energy saved during the first year of operation

### Tariffs

NEC is proposing no changes to REST Schedule No. 9, Voluntary Renewable Energy Program Schedule No. 10, and the Renewable Energy Customer Self-Directed Tariff Schedule No. 11 from what was approved in Decision No. 74176, on October 25, 2013.

### Budget

NEC's current budget and proposed budget for 2015 are shown in Table 2.

**Table 2**  
**2015 REST Plan Budget**

Category	Current Budget	Proposed Budget
---Residential DG Rebate*	\$298,935	\$100,000
---Commercial DG Rebate*	\$109,500	\$25,000
---Solar Water Heater Rebates	\$10,000	\$15,000
<b>Rebate Program Total</b>	<b>\$418,435</b>	<b>\$140,000</b>
RUS Loan Obligation	\$60,000	\$94,800
Utility Owned PV Maintenance/Repair	\$10,000	\$20,000
Utility Owned PV on Parking Structure	\$0	\$250,000
Purchased Power Agreement	\$50,000	\$200,232
Administration	\$140,677	\$200,000
Net-Metering Payments	\$12,000	\$12,000
<b>Total</b>	<b>\$691,112</b>	<b>\$917,032</b>

\*DG=Distributed Generation

Table 3 below indicates the REST funds NEC estimates that would be collected in 2015 by each customer class from the current Renewable Energy Standard ("RES") surcharge and the Voluntary Renewable Energy Program. 2015 funds are estimated to be \$673,619.

**Table 3**  
**Estimate of 2015 REST Collections**

Customer Class	Amount
Residential	\$360,981
Commercial	\$294,888
Irrigation	\$15,582
Security Lights	\$1,255
Non-Residential $\geq$ 3 MW	\$0
Voluntary Renewable Energy Program	\$912
<b>Total</b>	<b>\$673,619</b>

As of June 1, 2014, the available funds in the REST balance were \$744,202. NEC estimates this balance may increase to near \$1,000,000 by the end of 2014.

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As can be seen in Table 2 above, the Cooperative has requested a budget for 2015 that is \$225,920 higher than the approved budget in 2014. The 2015 proposed budget takes into consideration that up-front incentive participation has decreased in 2014, funding for the biomass facility has increased from 2014 estimates, and the NEC PV installation on the covered parking is a new project slated for completion at the end of 2014 with output expected in 2015.

Included in the available funds in the REST balance for 2014 are dollars collected from the Public Benefits Charge ("PBC"). The PBC was originally approved by the Commission for recovery of Demand Side Management ("DSM") costs. The Environmental Portfolio Standards, approved in 2001, required utilities to reallocate DSM funding to renewables. At that time, PBC funds were designated as renewable energy funds. Every year since then, the PBC has added an estimated \$125,000 to the dollars available to fund renewable energy projects at NEC.

In the pending NEC 2014-2015 Energy Efficiency Implementation Plan (Docket No. E-01787A-11-0229), NEC has requested that the PBC be decreased to \$0.000 per kWh and replaced with the DSM surcharge approved in NEC's most recent rate case (Decision No. 73255, dated July 30, 2012). If the 2014-2015 Energy Efficiency Implementation Plan is approved by the Commission prior to January 1, 2015, Staff anticipates the available renewable funding in 2015 would not include \$125,000 that was previously collected by the PBC.

With the 2015 REST Plan, NEC has not requested a change to the existing RES surcharges and caps. However, given the estimated balance carryover of close to \$1,000,000, Staff proposes reducing the RES surcharge to decrease collections in 2015. Taking into consideration the increased budget for 2015 and the decrease in funds from the PBC, Staff is proposing a reduction in the RES surcharge kWh energy charge of approximately 50%. The current RES energy charges along with the Staff proposed energy charges are shown in Table 4 (Staff is not proposing any changes to the Monthly Caps).

Table 4  
Current and Staff Proposed RES Charges

Customer Class/Category	Rates		Monthly Cap
	Current Energy Charge (per kWh)	Staff Proposed Energy Charge (per kWh)	
Residential	\$0.004988	\$0.0025	\$1.05
Non-Residential	\$0.004988	\$0.0025	\$39.00
Non-Residential $\geq$ 3 MW	\$0.004988	\$0.0025	\$117.00
Governmental & Agricultural	\$0.000875	\$0.0004	\$13.00
Governmental & Agricultural $\geq$ 3 MW	\$0.000875	\$0.0004	\$39.00

As can be seen in Table 5 below when compared with Table 3, the proposed Staff reduction to the Energy Charge is estimated to reduce collections by approximately \$175,525 in 2015 to \$498,094. Assuming no PBC collections in 2015 for the REST fund and a budget for 2015 of slightly over \$900,000, close to half of the carryover balance would be utilized in 2015.

Table 5  
Estimate of 2015 REST Collections with Staff Proposed Reduced Energy Charge

Customer Class	Amount	Percent Reaching Cap
Residential	\$298,431	42.5%
Commercial	\$186,289	3.2%
Irrigation	\$11,207	15.1%
Security Lights	\$1,255	1.0%
Non-Residential $\geq$ 3 MW	\$0	0.0%
Voluntary Renewable Energy Program	\$912	0.0%
<b>Total</b>	<b>\$498,094</b>	

Staff recommends the NEC-proposed 2015 budget be approved and the monthly caps remain the same as currently in effect while the energy charge is reduced to \$0.0004 per kWh for all governmental and agricultural customers with multiple meters and \$0.0025 per kWh for all other tariff service categories.

Staff also recommends with regard to the utility-owned PV on the NEC parking structure that NEC should reimburse the REST fund for all kWh produced by the proposed utility-owned PV system at the avoided cost rate set in its Net Metering Service ("NMS") Tariff similar to how the utility-owned PV system was handled for Graham County Electric Cooperative, Inc. in Decision No. 73631 dated January 31, 2013. NEC should reimburse the REST fund until such time that the total cost of the proposed utility-owned PV system is fully reimbursed.

#### Net Metering Tariff and Avoided Cost Update

NEC's current NMS Tariff was approved by the Commission on October 25, 2013, in Decision No. 74176.

The application filed on June 30, 2014, included a proposed update to the avoided cost on the NMS Tariff. The NMS Tariff sets the Cooperative's Annual Average Avoided Cost, which is the per-kWh rate paid once a year to customers who have an excess energy production balance as of April billing or as of the customer's final bill upon discontinuation of service. NEC's initial filing requested lowering the avoided cost from \$0.03333 per kWh to \$0.03216, based on unadjusted 2013 costs. This is the only change currently being proposed for the NMS Tariff by NEC. At the request of Staff, NEC recalculated the avoided cost applicable to 2015 based on adjusted energy costs incurred in 2013. The Cooperative supplied Staff with support for the new calculation which arrived at a proposed new avoided cost of \$0.04218 per kWh. Staff recommends that the proposed new avoided cost of \$0.04218 per kWh be approved.

#### Staff Recommendations

Staff recommends that NEC's proposed 2015 REST Plan be approved.

Staff recommends the NEC proposed 2015 REST budget be approved.

THE COMMISSION

October 22, 2014

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Staff further recommends the monthly caps remain the same as currently in effect while the energy charge be reduced to \$0.0004 per kWh for all governmental and agricultural customers with multiple meters and \$0.0025 per kWh for all other tariff service categories.

Staff also recommends that in regard to the utility-owned PV on the NEC parking structure that NEC should reimburse the REST fund for all kWh produced by the proposed utility-owned PV system at the avoided cost rate set in its NMS Tariff similar to how the utility-owned PV system was handled for Graham County Electric Cooperative, Inc. in Decision No. 73631 dated January 31, 2013. NEC should reimburse the REST fund until such time that the total cost of the proposed utility-owned PV system is fully reimbursed.

Staff recommends that NEC's Renewable Energy Standard Tariff Schedule No. 9 be modified to incorporate the reduced energy charges as noted above.

Staff recommends that NEC file with Docket Control, as a compliance item, a revised NMS Tariff and a revised Renewable Energy Standard Tariff Schedule No. 9 within 15 days of the effective date of the Decision in this case.

Staff recommends that the avoided cost on NEC's NMS Tariff be set at \$0.04218 per kWh.



Steven M. Olea  
Director  
Utilities Division

SMO:RSP:sms\CHH

ORIGINATOR: Ranelle Paladino

1                   **BEFORE THE ARIZONA CORPORATION COMMISSION**

2   BOB STUMP

Chairman

3   GARY PIERCE

Commissioner

4   BRENDA BURNS

Commissioner

5   BOB BURNS

Commissioner

6   SUSAN BITTER SMITH

Commissioner

7  
8   IN THE MATTER OF THE APPLICATION )  
9   OF NAVOPACHE ELECTRIC )  
10   COOPERATIVE, INC. FOR APPROVAL OF )  
11   ITS 2015 RENEWABLE ENERGY )  
12   STANDARD TARIFF, IMPLEMENTATION )  
13   PLAN AND NET METERING TARIFF )

DOCKET NO. E-01787A-14-0220

DECISION NO. \_\_\_\_\_

ORDER

12   Open Meeting  
13   November 5 and 6, 2014  
14   Phoenix, Arizona

14   BY THE COMMISSION:

15                   FINDINGS OF FACT

16           1.     Navopache Electric Cooperative, Inc. ("NEC" or the "Cooperative") is certificated to  
17   provide electricity as a public service corporation in the State of Arizona.

18   Background

19           2.     On June 30, 2014, NEC filed an application for approval of its 2015 Renewable  
20   Energy Standard and Tariff ("REST") Implementation Plan ("2015 REST Plan") in compliance with  
21   A.A.C. R14-2-1801 through R14-2-1816 ("REST Rules"). NEC also submitted an updated avoided  
22   cost to be included in its Net Metering Service Tariff. NEC's current REST Plan was approved by the  
23   Arizona Corporation Commission ("Commission") in Decision No. 74176, on October 25, 2013.

24   Renewable Energy Requirement

25           3.     Pursuant to the REST Rules, investor-owned utilities ("IOUs") are required to meet  
26   specific annual percentage-of-sales targets for both Renewable Energy Resources and Distributed  
27   Renewable Energy Resources. However, electric cooperatives are excluded from these specific  
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1 requirements by R14-2-1814. Electric cooperatives, instead, are required to submit “appropriate plans  
2 for acquiring Renewable Energy Credits...”.

3 4. NEC proposes to obtain approximately 1.15% of its forecasted 2015 retail sales from  
4 Renewable Energy Resources in its 2015 REST Plan. In comparison, the REST Rule requirement for  
5 IOUs in 2015 is 5.0% of retail sales of which 30% must be Distributed Renewable Energy Resources.

6 **2015 REST Plan**

7 5. NEC’s 2015 REST Plan consists of using existing utility- and member-owned  
8 renewable resources in addition to a negotiated biomass facility and utility-owned photovoltaic (“PV”)  
9 covered parking near the NEC headquarters. Since 2003, NEC has installed and interconnected four  
10 separate utility-owned PV systems to the distribution system. The four systems have a combined  
11 capacity of approximately 284 kilowatts (“kW”).

12 6. NEC has completed negotiations with Western Energy Solutions to purchase energy  
13 and Renewable Energy Credits (“RECs”) from a qualified biomass project. Western Energy Solutions  
14 anticipates securing an air quality permit for the project by the end of 2014 and construction would  
15 begin in 2015. The expected capacity from the facility is 1.0 megawatt (“MW”). For 2015, the  
16 estimated cost for the biomass generation project is \$200,323.

17 7. NEC is also considering the option of a 5 MW Enhanced Geothermal System  
18 (“EGS”) generating station. The EGS would be a high capacity factor renewable energy resource  
19 option for NEC. At this point in time, NEC is only exploring the economic viability of this project  
20 and has not included the EGS station in the 2015 REST Plan.

21 8. By the end of 2014, NEC anticipates completing construction of utility-owned PV  
22 covered parking near the NEC headquarters. The expected annual output from this additional PV  
23 installation is 203,300 kWh.

24 9. As of December 31, 2013, NEC had 218 member-installed renewable energy systems  
25 in operation. The NEC member-installed systems include PV systems, solar thermal systems, and  
26 wind turbines. The member-installed systems have a combined capacity of 1,585 kW.

27 ...

28 ...

**Residential PV and Wind Program**

10. For the Residential PV and Wind Program, NEC currently offers an Up-Front Incentive ("UFI") of \$0.50 per installed watt up to a maximum of \$5,000 per metered location. NEC is not proposing any changes to the UFI for Residential PV and Wind with its 2015 REST Plan.

**Commercial PV and Wind Program**

11. For the Commercial PV and Wind Program, NEC currently offers a UFI of \$0.50 per installed watt up to a maximum payment of \$12,500 per metered location. NEC is not proposing any changes to the UFI for Commercial PV and Wind with its 2015 REST Plan.

**Solar Water Heater Program**

12. For the Solar Water Heater Program, NEC currently offers a UFI of \$0.75 per kWh of estimated energy saved during the system's first year of operation. NEC is not proposing any changes to the UFI for Solar Water Heaters with its 2015 REST Plan.

13. The table below illustrates the current/proposed incentive levels provided for each technology (as stated earlier, no changes have been proposed to the UFIs).

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**Tariffs**

14. NEC is proposing no changes to REST Schedule No. 9, Voluntary Renewable Energy Program Schedule No. 10, and the Renewable Energy Customer Self-Directed Tariff Schedule No. 11 from what was approved in Decision No. 74176, on October 25, 2013.

**Budget**

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...

...

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Table 2  
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17. As of June 1, 2014, the available funds in the REST balance were \$744,202. NEC estimates this balance may increase to near \$1,000,000 by the end of 2014.

18. As can be seen in Table 2 above, the Cooperative has requested a budget for 2015 that is \$225,920 higher than the approved budget in 2014. The 2015 proposed budget takes into consideration that up-front incentive participation has decreased in 2014, funding for the biomass facility has increased from 2014 estimates, and the NEC PV installation on the covered parking is a new project slated for completion at the end of 2014 with output expected in 2015.

19. Included in the available funds in the REST balance for 2014 are dollars collected from the Public Benefits Charge ("PBC"). The PBC was originally approved by the Commission for

recovery of Demand Side Management ("DSM") costs. The Environmental Portfolio Standards, approved in 2001, required utilities to reallocate DSM funding to renewables. At that time, PBC funds were designated as renewable energy funds. Every year since then, the PBC has added an estimated \$125,000 to the dollars available to fund renewable energy projects at NEC.

20. In the pending NEC 2014-2015 Energy Efficiency Implementation Plan (Docket No. E-01787A-11-0229), NEC has requested that the PBC be decreased to \$0.000 per kWh and replaced with the DSM surcharge approved in NEC's most recent rate case (Decision No. 73255, dated July 30, 2012). If the 2014-2015 Energy Efficiency Implementation Plan is approved by the Commission prior to January 1, 2015, Staff anticipates the available renewable funding in 2015 would not include \$125,000 that was previously collected by the PBC.

21. With the 2015 REST Plan, NEC has not requested a change to the existing RES surcharges and caps. However, given the estimated balance carryover of close to \$1,000,000, Staff proposes reducing the RES surcharge to decrease collections in 2015. Taking into consideration the increased budget for 2015 and the decrease in funds from the PBC, Staff is proposing a reduction in the RES surcharge kWh energy charge of approximately 50%. The current RES energy charges along with the Staff proposed energy charges are shown in Table 4 (Staff is not proposing any changes to the Monthly Caps).

Table 4  
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22. As can be seen in Table 5 below when compared with Table 3, the proposed Staff reduction to the Energy Charge is estimated to reduce collections by approximately \$175,525 in 2015 to \$498,094. Assuming no PBC collections in 2015 for the REST fund and a budget for 2015 of slightly over \$900,000, close to half of the carryover balance would be utilized in 2015.

**Table 5**  
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Non-Residential $\geq$ 3 MW	\$0	0.0%
Voluntary Renewable Energy Program	\$912	0.0%
<b>Total</b>	<b>\$498,094</b>	

23. Staff has recommended the NEC-proposed 2015 budget be approved and the monthly caps remain the same as currently in effect while the energy charge is reduced to \$0.0004 per kWh for all governmental and agricultural customers with multiple meters and \$0.0025 per kWh for all other tariff service categories.

24. Staff also has recommended with regard to the utility-owned PV on the NEC parking structure that NEC should reimburse the REST fund for all kWh produced by the proposed utility-owned PV system at the avoided cost rate set in its Net Metering Service ("NMS") Tariff similar to how the utility-owned PV system was handled for Graham County Electric Cooperative, Inc. in Decision No. 73631 dated January 31, 2013. NEC should reimburse the REST fund until such time that the total cost of the proposed utility-owned PV system is fully reimbursed.

#### Net Metering Tariff and Avoided Cost Update

25. NEC's current NMS Tariff was approved by the Commission on October 25, 2013, in Decision No. 74176.

26. The application filed on June 30, 2014 included a proposed update to the avoided cost on the NMS Tariff. The NMS Tariff sets the Cooperative's Annual Average Avoided Cost, which is the per-kWh rate paid once a year to customers who have an excess energy production balance as of April billing or as of the customer's final bill upon discontinuation of service. NEC's initial filing requested lowering the avoided cost from \$0.03333 per kWh to \$0.03216, based on unadjusted 2013 costs. This is the only change currently being proposed for the NMS Tariff by NEC. At the request of Staff, NEC recalculated the avoided cost applicable to 2015 based on adjusted energy costs

1 incurred in 2013. The Cooperative supplied Staff with support for the new calculation which arrived  
2 at a proposed new avoided cost of \$0.04218 per kWh. Staff has recommended that the proposed new  
3 avoided cost of \$0.04218 per kWh be approved.

4 **Staff Recommendations**

5 27. Staff has recommended that NEC's proposed 2015 REST Plan be approved.

6 28. Staff has recommended the NEC proposed 2015 REST budget be approved.

7 29. Staff has further recommended the monthly caps remain the same as currently in  
8 effect while the energy charge be reduced to \$0.0004 per kWh for all governmental and agricultural  
9 customers with multiple meters and \$0.0025 per kWh for all other tariff service categories.

10 30. Staff also has recommended that in regard to the utility-owned PV on the NEC  
11 parking structure that NEC should reimburse the REST fund for all kWh produced by the proposed  
12 utility-owned PV system at the avoided cost rate set in its NMS Tariff similar to how the utility-owned  
13 PV system was handled for Graham County Electric Cooperative, Inc. in Decision No. 73631 dated  
14 January 31, 2013. NEC should reimburse the REST fund until such time that the total cost of the  
15 proposed utility-owned PV system is fully reimbursed.

16 31. Staff has recommended that NEC's Renewable Energy Standard Tariff Schedule No. 9  
17 be modified to incorporate the reduced energy charges as noted above.

18 32. Staff has recommended that NEC file with Docket Control, as a compliance item, a  
19 revised NMS Tariff and a revised Renewable Energy Standard Tariff Schedule No. 9 within 15 days of  
20 the effective date of the Decision in this case.

21 33. Staff has recommended that the avoided cost on NEC's NMS Tariff be set at \$0.04218  
22 per kWh.

23 **CONCLUSIONS OF LAW**

24 1. Navopache Electric Cooperative, Inc. is an Arizona public service corporation within  
25 the meaning of Article XV, Section 2, of the Arizona Constitution.

26 2. The Commission has jurisdiction over Navopache Electric Cooperative, Inc. and over  
27 the subject matter of the application.

28 ...

1           3.     The Commission, having reviewed the application and Staff's Memorandum dated  
2     October 22, 2014, concludes that it is in the public interest to approve the Navopache Electric  
3     Cooperative, Inc. 2015 REST Plan as specified in this order.

4                                 ORDER

5           IT IS THEREFORE ORDERED that the Navopache Electric Cooperative, Inc. 2015 REST  
6     Plan is hereby approved as discussed herein.

7           IT IS FURTHER ORDERED that the Navopache Electric Cooperative, Inc. 2015 REST  
8     budget of \$917,032 be approved.

9           IT IS FURTHER ORDERED that the energy charges on Renewable Energy Standard Tariff  
10    Schedule No. 9 be reduced to \$0.0004 per kWh for all governmental and agricultural customers with  
11    multiple meters and \$0.0025 per kWh for all other tariff service categories.

12          IT IS FURTHER ORDERED that in regard to the utility-owned PV on the Navopache  
13    Electric Cooperative, Inc. parking structure that Navopache Electric Cooperative, Inc. shall reimburse  
14    the Renewable Energy Standard and Tariff fund for all kWh produced by the proposed utility-owned  
15    PV system at the avoided cost rate set in its Net Metering Service Tariff. Navopache Electric  
16    Cooperative, Inc. shall reimburse the Renewable Energy Standard and Tariff fund until such time that  
17    the total cost of the proposed utility-owned PV system is fully reimbursed.

18          IT IS FURTHER ORDERED that Navopache Electric Cooperative, Inc. file with Docket  
19    Control, as a compliance item, a revised Net Metering Service Tariff and a revised Renewable Energy  
20    Standard Tariff Schedule No. 9 within 15 days of the effective date of this Order.

21    ...

22    ...

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25    ...

26    ...

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28    ...

1 IT IS FURTHER ORDERED that Navopache Electric Cooperative, Inc.'s revised Renewable  
2 Energy Standard Tariff Schedule No. 9, Voluntary Renewable Energy Program Schedule No. 10 and  
3 Customer Self-Directed Tariff Schedule No. 11 remain in effect until further Order of the  
4 Commission.

5 IT IS FURTHER ORDERED that the avoided cost on Navopache Electric Cooperative,  
6 Inc.'s Net Metering Service Tariff of \$0.04218 per kWh become effective 30 days after the effective  
7 date of this decision.

8 IT IS FURTHER ORDERED that this Order shall become effective immediately.

9  
10 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

11  
12  
13 CHAIRMAN

COMMISSIONER

14  
15 COMMISSIONER

COMMISSIONER

COMMISSIONER

16 IN WITNESS WHEREOF, I, JODI JERICH, Executive  
17 Director of the Arizona Corporation Commission, have  
18 hereunto, set my hand and caused the official seal of this  
19 Commission to be affixed at the Capitol, in the City of  
20 Phoenix, this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

21 \_\_\_\_\_  
22 JODI JERICH  
Executive Director

23 DISSENT: \_\_\_\_\_

24  
25 DISSENT: \_\_\_\_\_

26 SMO:RSP:sms\CHH  
27  
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1 SERVICE LIST FOR: Navopache Electric Cooperative, Inc.  
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